

The CPE Corner

CPE Documentation

Documentation is one of the most important things that we look at when performing a CPE Audit. You would be surprised at the missing information on some of the documentation that we see. We have had documentation where the date of the CPE was listed as May 25. However, if we are doing an audit of CPE taken in 2008, this date is useless because we can't determine if the CPE was taken in 2006, 2007, or 2008. We have even had some certificates that didn't include the participant's name! Unfortunately we were not able to count this CPE and it caused some licensees to fail the audit – all because of a missing component on their certificate.

What information is required for acceptable CPE Documentation?

So, what can you do to ensure that your documentation would pass a CPE Audit? There are certain requirements for acceptable CPE documentation. NASBA (National Association of State Boards of Accountancy) registered CPE sponsors are required to include certain types of information on their CPE certificates. Those CPE providers who are exempt providers according to Board Rule 13 are also required to include that same information. Any CPE obtained through your firm (in-firm) must meet all these requirements.

All CPE documentation must have the following information to be acceptable CPE documentation:

The name of the participant

The date the CPE was obtained, including month, day and year.

The title of the seminar

The number of CPE credit hours, using the 50 minute hour

The field of study (accounting, auditing, taxation, ethics, etc.)

The method of delivery (Group-Live, Self-Study, or Group-Internet Based)

The location (if applicable)

A signature of a person who is an official representative of the CPE sponsor to verify the attendance of the licensee.

If NASBA registered, it must have the NASBA registry number. Providers that are Arkansas registered sponsors will also have a NASBA registry number.

In addition – if your CPE is considered in-firm, you must provide the name of the instructor(s) and attach a biography for each instructor.

When you receive your certificate, transcript, or letter concerning your CPE documentation, take a few minutes to look it over and see if there are any missing components. If there is any information that is missing, contact the CPE provider immediately and ask them to issue you new documentation. It is important to remember that we do not accept handwritten notes on the documentation. For example, if your provider forgot to include the hours, you cannot write that amount on the certificate. It must be provided by the CPE sponsor.

Watch out for “self-reporting circle the minutes forms”!

Another documentation problem is what we refer to as “self-reporting circle the minutes” forms. These are the forms that list all the available CPE offerings and you circle the minutes of the sections that you attended. These are not accepted because of the risk of fraud. Anyone can circle more minutes and change the totals to increase the number of hours. Many of these circle the minutes forms do not have an official signature. If you are given a circle the minutes form as your only documentation, please contact the provider for a letter, transcript, or other documentation verifying the hours of your CPE. For example, the Arkansas Society of CPA's use the circle the minute forms at their CPE offerings, but they follow it up with an official transcript that they send to you by email. We accept this transcript as the official documentation because we can verify all the information we need and we can also determine that it came directly from the CPE provider (commonly referred to as third-party documentation).

Exempt Sponsors

Another word of caution – Just because you think a provider is exempt, don't count on it! Rule 13.4(f) lists the providers that are considered exempt from registering with the Board and the NASBA Registry of CPE Sponsors. Check that list carefully. If there is any question whether the provider is exempt, you might want to think twice about using that for your CPE requirements. If a provider tells you that they are a registered provider, ask for their registry number. If they are NASBA registered they will have a NASBA registry number. If they are registered as an Arkansas Provider, they will still have a registry number as they too must be registered through NASBA on the Arkansas Roster. There are CPE providers who think they are registered with the Board, but if they can't provide you a registry number ask why not.

There are a lot of firms who sponsor their own CPE for their employees. These firms are considered an exempt provider according to Rule 13, but be cautious. If you are not an employee of that firm, you cannot count this CPE. In other words, some firms open their CPE to their clients and employees of other firms, but only the employees of the sponsoring firm are eligible to receive credit for the courses. The only exception is when the sponsoring firm is a registered sponsor of CPE and is listed on the NASBA register or the Arkansas Roster.

Acceptable CPE Offerings

Just because you might learn something by attending a seminar, it may not count towards your CPE requirements. Board Rule 13.3(a) states ***"A program qualifies as acceptable continuing education if it is a formal program of learning which contributes directly to the professional competence of an individual licensed to practice as a public accountant"***. This means that your CPE must be something that will make you a better accountant – not a better speaker, or negotiator, or will help you sell real estate, insurance, securities, etc. A problem with in-firm CPE is when the firm offers something that is strictly for the firm. For example: how to use the telephone system in your office, exploring the corporate structure of the firm, or firm policies (such as work hours, billing procedures, etc.). These might help you get acclimated to the firm, but they are not accounting related CPE.

How long do I keep my CPE documentation?

According to Board Rule 13.2(c) you must keep your documentation for **five (5) years**. In the event that you are selected for a CPE Audit, you must be able to provide documentation for your CPE for all the years that are requested. For example, we are currently working on the 2008 CPE Audit. We are looking at CPE obtained in 2007, 2006, 2005, and 2004. You may ask why four years. If you renewed your license using the 120 hour rule we will look at your CPE from 2005, 2006 & 2007. We also audit for two cycles of ethics. For this audit we are looking at Cycle #1 which is 2004, 2005 & 2006 and Cycle #2 which is 2005, 2006, and 2007.

Where do you turn for help?

If all this is very confusing, help is just a phone call away. ASBPA board staff cannot pre-approve any CPE for you, but they can help you look at the sections in Rule 13 that will apply to your questions concerning CPE issues. An informed CPA will make better decisions on obtaining the CPE that will meet the requirements for renewing their license each year.

<i>The 2008 CPE Audit Results</i>	<i>Board Elects New Officers</i>																								
<p>The results for the 2008 CPE Audits (CPE taken in 2007) are as follows:</p> <table><tr><td>Acceptable</td><td>120</td><td>53.33%</td></tr><tr><td>Failed</td><td>89</td><td>39.56%</td></tr><tr><td>Failed, passed on appeal</td><td>15</td><td>6.67%</td></tr><tr><td>Auditee Deceased</td><td>1</td><td>.44%</td></tr><tr><td>Total</td><td>225</td><td></td></tr></table> <p>Fines/penalties have been assessed for failed audits.</p>	Acceptable	120	53.33%	Failed	89	39.56%	Failed, passed on appeal	15	6.67%	Auditee Deceased	1	.44%	Total	225		<p>The Board elected the following new officers during the June 26, 2009 Board meeting:</p> <table><tr><td>Tom Ed Simmons, CPA</td><td>-</td><td>President</td></tr><tr><td>Gary Kelly, CPA</td><td>-</td><td>Secretary</td></tr><tr><td>Dale Coy, CPA</td><td>-</td><td>Treasurer</td></tr></table> <p><i>Congratulations to our new officers!</i></p>	Tom Ed Simmons, CPA	-	President	Gary Kelly, CPA	-	Secretary	Dale Coy, CPA	-	Treasurer
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